



PRODUCT BRIEF

Metastorm BPM™ 7.0

VENDOR DATA

Metastorm

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Founded: 1996

Ownership: Private

Total Employees: 160

% Employees in R&D: NA

Revenue: NA

Key Partners:

- IBM
- Microsoft
- Thomson Elite

Reference Accounts

- Deutsche Post
- Sumitomo Mitsui Bank
- US Social Security Administration

Key Product: Metastorm BPM

of Installations: 1,200+

PRODUCT COMPONENTS

Metastorm BPM

- Process Designer
- Process Engine
- User Dashboard
- Insight
- Envision
- Integration Manager
- Universal Process Orchestrator

COMPANY OVERVIEW

Metastorm is a well-established BPM company that has been working aggressively to expand its capabilities and customer base over the past few years. The company acquired transaction-oriented BPM vendor CommerceQuest in October 2005. The acquisition has added CommerceQuest's strong system-oriented processing power to Metastorm's existing human-centric business process management suite. The results are a "roundtrip BPM" suite of tools that cover the full process lifecycle and are applicable to a wide range of deployment scenarios. Release 7.0 incorporates the technology acquisition (branded as Metastorm Integration Manager) with the Metastorm BPM suite and adds a Microsoft SharePoint client, enhanced Business Activity Monitoring features and integration with external event management engines. In addition, ease of use and the user interface capabilities have been streamlined and updated. With five consecutive years of growth, a track record of profitability, and more than 1,200 customers in 41 countries, Metastorm has grown to become a solid leader in the BPM market.

COMPANY STRATEGY

- Continue to expand the channel, which now represents 40% of sales, partnering with vertically focused services organizations as well as large enterprise software companies like IBM.
- Successfully position newly integrated product suite as "roundtrip" BPM for enterprises that want a complete BPM solution.
- Sell into CommerceQuest customer base with Metastorm BPM version 7.0.
- Continue to develop best practices and innovative training through services organization, templates, and Process Pods™.
- Leverage its relationship with Microsoft to capitalize on its SharePoint integration.

IMPLEMENTATION STRATEGY

Like most BPM solutions, the implementation time for a Metastorm BPM deployment varies from weeks to months, depending on the complexity of the solution and the level of process definition and management maturity of an organization. Metastorm offers an extensive variety of training options, and will customize the offering to the client's needs, including offering on-site labs addressing specific training areas. In most cases, Metastorm services resources are involved in getting the first process up and running, which averages 2-3 months. Often, after the first process is running, the client is able to create, deploy and manage subsequent processes independently. A new addition to Metastorm's portfolio of implementation aids are Process Pods™, which are an extension of the Templates that Metastorm has offered to its customers for some time. While a template may include the starting point for a particular process that customers will use to jumpstart their own process analysis, Process Pods™ are designed as a more comprehensive package that demonstrates a particular supporting technology or process (i.e. content management).

ROI FOR BPM ASSESSMENT

Hot processes to automate

- New customer processing
- Regulatory compliance
- Product lifecycle management

ROI Timeframe

For organizations that select a larger process to automate, often after the first process there is a visible return. For smaller companies, it may take several processes, but they are able to bring up subsequent processes very quickly.

Caution Flags for BPM

- Companies that don't have strong buy-in across the organization, including executive-level support.
- Project scope expansion beyond initial boundaries delaying success.

Metastorm has successfully worked with potential customers to identify these potential challenges and create a successful environment for launching BPM initiatives.

Upside ROI

Metastorm has found that while many of its customers are aware of, and interested in, achieving a strong return on their BPM investments, the more important decision factors regarding purchases are related to product functionality and vendor viability. Most Metastorm customers are able to achieve a return on their investment after the first major process has been automated, and in most cases customers quickly start automating additional processes to gain even greater ROI.

CRITICAL SUCCESS FACTORS

- As the company seeks to double its revenues over the next 12 months, it will need to continue to execute its sales strategy flawlessly to keep up with the substantial growth.
- Ensuring a successful rollout of version 7.0 and cross-pollination of the new combined BPM solution among existing Metastorm clients and former CommerceQuest customers.
- Building a referenceable customer base for end-to-end process management that spans the human-centric and system-based map.
- Continuing to find new ways to package components of its process capabilities for use with other parts of the enterprise infrastructure.

UPSIDE ANALYSIS

Upside Research believes that the combination of the human-centric and system-based solutions resulting from the acquisition of CommerceQuest by Metastorm gives Metastorm a competitive advantage in the market (see Upside Update from 10/15/05). Version 7.0 reflects the combination of the two products, and provides a clear basis for existing Metastorm customers to leverage the system-based strengths of Metastorm Integration Manager (MIM-the former CommerceQuest technology) in the Metastorm BPM suite.

Metastorm continues to grow its referenceable customer base. With more than 1,200 customers, the company is an established player in the Business Process Management market. The company has recognized the increasing popularity of Microsoft in the enterprise, and has made a strategic decision to align itself with support for Microsoft's .NET platform and portal, while still maintaining an independence to support IBM WebSphere, Java, and web services. Upside Research believes this is an important balance to maintain. One key to Metastorm's further success will be on capitalizing on this relationship and turning Microsoft-oriented customers into Metastorm customers. An important component of this will be the degree to which Metastorm can enable the use of Metastorm BPM components (and not necessarily the whole suite) in combination with Microsoft environments.

The year ahead for Metastorm will be telling. It has made significant inroads as a leader in the human-centric BPM solution market. The company has the potential to be a one-stop-shop for enterprise BPM with its "round-trip" BPM if it can successfully sell version 7.0 into its existing customer base while selling Metastorm BPM to former CommerceQuest customers. Upside Research believes that Metastorm has the ingredients for success, and only needs strong execution to make that success happen.

About Upside Research

Upside Research is a research and consulting firm focused on helping clients put application development, Web services, business process management, integration, and enterprise infrastructure challenges in perspective.

Upside Research helps organizations find practical ways to achieve their IT goals and profit from the diversity of a changing technology landscape.

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